



Timika Shafeek-Horton  
Deputy General Counsel

550 South Tryon Street  
Charlotte, NC 28202

Mailing Address:  
DEC45A / P.O. Box 1321  
Charlotte, NC 28201

o: 704-382-6373  
f: 980.373.8534

Timika.Shafeek-Horton@duke-energy.com

May 19, 2014

**VIA ELECTRONIC FILING**

The Honorable Jocelyn G. Boyd  
Chief Clerk & Administrator  
Public Service Commission of South Carolina  
101 Executive Center Drive, Suite 100  
Columbia, South Carolina 29211

RE: Petition of the Office of Regulatory Staff to Establish Dockets to  
Consider Implementing the Requirements of Section 1251 (Net Metering  
and Additional Standards) of the Energy Policy Act of 2005  
Docket No. 2005-385-E

Dear Mrs. Boyd:

In compliance with Order No. 2009-552 issued by the Public Service Commission of South Carolina ("Commission") in the above-referenced docket, Duke Energy Carolinas, LLC (the "Company" or "DEC") maintains a tariff entitled "Rider NM (SC) Net Metering" (hereinafter "Net Metering Tariff"). The following provision is included within DEC's Net Metering Tariff on Page 1 at ¶III.

Energy Charges (or Credits) shall be based on the net kilowatt hours purchased from or delivered to the Company for the bill month. For any bill month during which the Energy Charges are a net credit, the respective Energy Charges for the month shall be zero. Any Energy Credits shall carry forward on following month's bill. If the customer is on a time of use rate, the Energy Credit shall carry forward by first applying the excess On-Peak kWh Credit against the On-Peak kWh Charge and the excess Off-Peak kWh Credit against the Off-Peak kWh Charge, then applying any remaining On-Peak kWh credit against any remaining Off-Peak kWh Charge. Effective with seasonal rate change on June 1<sup>st</sup> of each year, any accrued credit will be reset to zero. Credits shall not offset the Basic Facilities Charge or the Demand Charge.

Customers have expressed concern that under the Net Metering Tariff accumulated excess energy is reset to zero each June 1<sup>st</sup>. Customers are more likely to have higher usage in

Mrs. Jocelyn G. Boyd  
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the months preceding March 1<sup>st</sup>. Resetting at this time should make it less likely that a customer will forfeit excess generation. Consequently, to resolve this concern, DEC seeks to revise its Net Metering Tariff so that any accumulated excess energy will be reset to zero each March 1<sup>st</sup>.

Pursuant to S.C. Code Ann. § 58-27-870(F) (Supp. 2013), the Commission may issue an order allowing tariffs to be put into effect without notice and hearing when such tariffs "do not require a determination of the entire rate structure and overall rate of return, or ... do not result in any rate increase to the electrical utility..."

The revisions to the Company's Net Metering Tariff will not require a determination of the entire rate structure or result in an increase in rates for customers; therefore, DEC respectfully requests that the Commission review and approve the revisions to the Net Metering Tariff without notice and hearing. For ease of reference, the Company has also prepared and included herewith a red-lined version of the updated Net Metering Tariff showing the revisions.

By copy of this letter, we are informing the South Carolina Office of Regulatory Staff and the other parties of record in Docket No. 2005-385-E of DEC's request.

Thank you in advance for consideration of our recommendation. If you have any questions or concerns, please let me know.

Sincerely,



Timika Shafeek-Horton  
Deputy General Counsel

TSH/bml

Enclosures

cc: Nanette S. Edwards, Esq.  
Shannon B. Hudson, Esq.  
Brian L. Franklin, Esq.  
Parties of Record

RIDER NM (SC)  
Net Metering

AVAILABILITY (South Carolina only)

Available to residential and nonresidential Customers receiving concurrent service from the Company where a photovoltaic, wind-powered, micro-hydro or biomass-fueled generation source of energy, is installed on the Customer's side of the delivery point, for the Customer's own use, interconnected with and operated in parallel with the Company's distribution system.

GENERAL PROVISIONS

1. To qualify for service under this Rider, a residential Customer may be served on any residential rate schedule, but may not be served under Schedule WC or Power Manager. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed the estimated maximum monthly kilowatt (kW) demand of the residence or 20 kW, whichever is less.
2. To qualify for service under this Rider, a nonresidential Customer may be served on one of the Company's general service or industrial rate schedules that does not otherwise provide for parallel operation of a customer generator. The Nameplate Rating of the Customer's installed generation system and equipment must not exceed the Customer's Contract Demand or 100 kW, whichever is less.
3. If the electricity supplied to the Customer by the Company exceeds the electricity delivered to the grid by the Customer-Generator during a monthly billing period, the Customer-Generator shall be billed for the net electricity in kilowatt hours supplied by the Company, plus any demand or other charges under the applicable rate schedule. If the electricity delivered to the grid by the Customer-Generator exceeds the electricity in kilowatt hours supplied by the utility during a monthly billing period, the Customer-Generator shall be credited for the excess kilowatt hours generated during that billing period. Charges or credits will be determined using the appropriate energy rates of the applicable rate schedule as further outlined in the RATE paragraph below.
4. All other provisions of the applicable time of use rate schedule including, but not limited to, Determination of Billing Demand, Determination of On-Peak and Off-Peak Hours, Definition of Month, Contract Demand, Adjustment for Fuel Costs, etc. will apply to service supplied under this Rider.
5. If the Customer is not the owner of the premises receiving electric service from the Company, the Company shall have the right to require that the owner of the premises give satisfactory written approval of the Customer's request for service under this Rider.
6. Customers served under this Rider are not eligible to receive payment from Palmetto Clean Energy ("PaCE") for energy generated by the customer's system.
7. Any renewable energy credits (RECs) shall be retained by the customer until a market for RECs is fully developed as determined by the Commission. At that time, then annually, any RECs associated with net excess generation shall be granted to the Company on March 1 of each year.

RATE

The rate shall be the applicable rate schedule and the monthly bill shall be determined as follows:

- I. The Basic Facilities Charge shall be the Basic Facilities Charge from the applicable rate schedule.
- II. The Demand Charge shall be determined from the applicable rate schedule, as appropriate.
- III. Energy Charges (or Credits) shall be based on the net kilowatt hours purchased from or delivered to the Company for the bill month. For any bill month during which the Energy Charges are a net credit, the respective Energy Charges for the month shall be zero. Any Energy Credits shall carry forward on following month's bill. If the customer is on a time of use rate, the Energy Credit shall carry forward by first applying the excess On-Peak kWh Credit against the On-Peak kWh Charge and the excess Off-Peak kWh Credit against the Off-peak kWh Charge, then applying any remaining On-Peak kWh credit against any remaining Off-Peak kWh Charge. Effective with the seasonal rate change on March 1 of each year, any accrued credit will be reset to zero. Credits shall not offset the Basic Facilities Charge or the Demand Charge.

RIDER NM (SC)  
Net Metering

MINIMUM BILL

The monthly minimum bill for Customers receiving service under this Rider shall be no less than Basic Facilities Charge plus, applicable Riders and if applicable, any of the following Charges: the Demand Charge the Economy Demand Charge, and the Extra Facilities Charge.

METERING REQUIREMENTS

The Company will furnish, install, own and maintain metering to measure the kilowatt demand delivered by the Company to the Customer, and to measure the net kilowatt-hours purchased by the Customer or delivered to the Company. The Company shall have the right to install special metering and load research devices on the Customer's equipment and the right to use the Customer's telephone line for communication with the Company's and the Customer's equipment.

SAFETY, INTERCONNECTION AND INSPECTION REQUIREMENTS

This Rider is only applicable for installed generation systems and equipment that comply with the South Carolina Standard for Interconnecting Small Generation 100 kW or less with Electric Power Systems (EPS), hereinafter the "Interconnection Standard." The Customer must comply with the liability insurance requirements of the Interconnection Standard.

The Customer must submit an Application to Interconnect Small Generation 100 kW or Less (SC) which must be accepted by the Company and pay an application fee in accordance with the Interconnection Standard.

POWER FACTOR CORRECTION

When the average monthly power factor of the power supplied by the Customer to the Company is less than 90 percent or greater than 97 percent, the Company may correct the energy in kilowatt-hours, as appropriate. The Company reserves the right to install facilities necessary for the measurement of power factor. The Company will not install such equipment, nor make a power factor correction if the generator system is less than 20 kW and uses an inverter.

CONTRACT PERIOD

Each Customer shall enter into a contract for a minimum original term of one (1) year, and shall automatically renew thereafter, except that either party may terminate the contract after one year by giving at least sixty (60) days prior notice of such termination in writing.

The Company reserves the right to terminate the Customer's contract under this Rider at any time upon written notice to the Customer in the event that the Customer violates any of the terms or conditions of this Rider, or operates the generation system and equipment in a manner which is detrimental to the Company or any of its customers. In the event of early termination of a contract under this Rider, the Customer will be required to pay the Company for the costs due to such early termination, in accordance with the Company's South Carolina Service Regulations.

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Net MeteringAVAILABILITY (South Carolina only)

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Duke Energy Carolinas, LLC

Electricity No. 4

South Carolina ~~Second (Proposed)~~, Revised Leaf No. 72  
Superseding South Carolina ~~First Revised~~, Leaf No. 72

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Net Metering

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